

Edgar Filing: TOP TANKERS INC. - Form 6-K

TOP TANKERS INC.  
Form 6-K  
May 21, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR  
15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2007

Commission File Number

TOP TANKERS INC.  
(Translation of registrant's name into English)

1, Vassilissis Sofias Meg. Alexandrou Str.  
151 24 Maroussi  
Greece

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)7: \_\_\_\_

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): \_\_\_\_\_.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

## Edgar Filing: TOP TANKERS INC. - Form 6-K

Included in this report on Form 6-K as Exhibit 1 is the press release issued by TOP Tankers Inc. (the "Company") on May 17, 2007 announcing the Company's first quarter 2007 financial results.

[GRAPHIC OMITTED]

Exhibit 1

NEWS RELEASE for May 17, 2007  
-----

Contact: Michael Mason (investors)  
Allen & Caron Inc  
212 691 8087  
michaelm@allencaron.com  
-----

Stamatis Tsantanis, CFO  
TOP Tankers Inc  
011 30 210 812 8199  
snt@toptankers.com  
-----

### TOP TANKERS REPORTS FIRST QUARTER 2007 FINANCIAL RESULTS

ATHENS, GREECE (May 17, 2007) ... TOP Tankers Inc (NasdaqGS:TOPT) today announced its operating results for the first quarter ended March 31, 2007.

For the three months ended March 31, 2007, the Company reported net income of \$947,000, or \$0.03 per share, compared with net income of \$30,161,000, or \$1.05 per share, for the first quarter of 2006. The weighted average numbers of basic shares used in the computations were 32,331,129 and 28,099,212 for the first quarters of 2007 and 2006, respectively. The results for the first quarter of 2007 and 2006 include net (revenues) / charges of (\$980,000), or (\$0.03) per share and \$2,672,000, or \$0.10 per share, respectively, of special items(1) that affected the Company's net income for the first quarter of 2007 and 2006 that are typically excluded by securities analysts in their published estimates of the Company's financial results, which are described in Appendix A of this release. For the three months ended March 31, 2007, operating income was \$1,396,000, compared with operating income of \$37,970,000 for the first quarter of 2006. Adjusted EBITDA(1) for the first quarter of 2007 was \$10,787,000, compared with \$55,607,000 for the first quarter of 2006. Voyage revenues for the first quarter of 2007 were \$73,988,000, compared to \$101,746,000 recorded in the first quarter of 2006.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Tankers Inc, commented, "During the first quarter of 2007, we focused on improving the quality of our fleet management by bringing more vessels back to our own full management. We are also exploring various plans to reduce our financial expenses and increase our shareholders value. Lastly, in order to increase the trading liquidity of our stock, we have proposed to our Annual General Meeting of our Stockholders the 2:1 reverse split of our stock".

The following key indicators serve to highlight changes in the financial performance of the Company's fleet during the first quarters ended March 31, 2006 and 2007:

Suezmax Fleet		
Three Months Ended March 31,		
-----		
2006	2007	Change

(In U.S. Dollars unless otherwise stated)

Edgar Filing: TOP TANKERS INC. - Form 6-K

	----	----	-----
Total available ship days	1,170	1,170	0.0%
Total operating days	1,112	1,084	-2.5%
Utilization	95.0%	92.6%	-2.5%
TCE(2) per ship per day under spot voyage charter	61,802	38,565	-37.6%
TCE per ship per day under time charter	39,108	35,123	-10.2%
Average TCE	52,741	37,428	-29.0%
Other vessel operating expenses per ship per day	7,634	8,231*	7.8%

Handymax Fleet  
Three Months Ended March 31,

(In U.S. Dollars unless otherwise stated)

	2006	2007	Change
	----	----	-----
Total available ship days	1,260	990	-21.4%
Total operating days	1,236	911	-26.3%
Utilization	98.1%	92.0%	-6.2%
TCE per ship per day under spot voyage charter	-	-	-
TCE per ship per day under time charter	21,735	20,279	-6.7%
Average TCE	21,735	20,279	-6.7%
Other vessel operating expenses per ship per day	5,397	6,576	21.9%

Total Fleet  
Three Months Ended March 31,

(In U.S. Dollars unless otherwise stated)

	2006	2007	Change
	----	----	-----
Total available ship days	2,430	2,160	-11.1%
Total operating days	2,348	1,995	-15.0%
Utilization	96.6%	92.4%	-4.4%
TCE per ship per day under spot voyage charter	61,802	38,565	-37.6%
TCE per ship per day under time charter	26,326	24,467	-7.1%
Average TCE	36,419	29,597	-18.7%
Other vessel operating expenses per ship per day	6,474	7,473*	15.4%
General and administrative expenses per ship per day**	3,024	2,406	-20.4%

\* The daily Other vessel operating expenses for the Suezmax Fleet and Total Fleet include approximately \$332 and \$180, respectively for the ballast tank cleaning process of the M/T Faultless, that are not expected to be covered by the Insurance Underwriters.

\*\* The daily General and Administrative expenses include approximately \$1,630 and \$218 for the first quarter of 2006 and 2007, respectively, of non-cash restricted stock expense, general compensation provision, specific legal and auditing fees and depreciation for other fixed assets.

Fleet Report:

As of March 31, 2007, the Company's fleet size was 24 vessels, or 2.5 million dwt (including 18 vessels sold and leased back for a period of 5 to 7 years) as compared to 27 vessels, or 2.6 million dwt on March 31, 2006.

In April 2007, the Company sold the Suezmax tanker M/T Errorless for \$52.5 million, resulting in a book gain of \$2.0 million, which will be recognized in the second quarter of 2007. The vessel was delivered to its new owners on April

Edgar Filing: TOP TANKERS INC. - Form 6-K

30, 2007.

Fleet Deployment:

During the first quarter of 2007, the Company had approximately 64% of the fleet's operating days on long-term employment contracts. Fifteen of the Company's 24 tankers were on time charter contracts with an average term of over three years with all but three of the time charters including profit sharing agreements.

On May 16, 2007, the Company announced a new time charter contract with a major South American oil company for its Suezmax M/T Flawless. The vessel is expected to earn approximately \$44,500 net per day, for one year and charterers have the option to extend the contract for an additional one year.

The Company has secured approximately 63% of the estimated operating days for 2007 under time charter contracts. At the same time, the seven Suezmaxes that will operate in the spot market, together with the profit sharing component of the time charter contracts, expose approximately 55% of the Company's estimated operating days for 2007 to spot rates, which may be potentially higher.

Suezmax Fleet:

During the first quarter of 2007, nine of the Company's Suezmax tankers operated in the spot market, earning on average \$38,565 per vessel per day on a time charter equivalent (TCE) basis.

During the first quarter of 2007, four of the Company's Suezmax tankers operated under time charter contracts, earning on average \$35,123 per vessel per day on a time charter equivalent (TCE) basis.

As of the date of this release, the Company's Suezmax fleet for the second quarter of 2007 has been fixed for employment as follows:

Spot: 52% of operating days at average daily TCE of \$45,000  
 Total (Spot and time charter, including profit sharing): 67% of operating days at average daily TCE of \$41,000.

Handymax Fleet:

All of the Company's Handymax tankers operate under long term employment agreements that provide for a base rate and additional profit-sharing.

During the first quarter of 2007, including the profit-sharing allocated to the Company from these profit-sharing agreements, the Handymax fleet earned on average \$20,279 per vessel per day on a time charter equivalent (TCE) basis.

As of the date of this release, the Company's Handymax fleet for the second quarter of 2007 has been fixed for 66% of its operating days at average daily TCE of \$21,000.

The following table presents the Company's expected fleet list and employment:

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Pro Abo
	---	-----	-----	-----	----	----
12 Suezmax Tankers						
TimelessC.....	154,970	1991	Spot			

## Edgar Filing: TOP TANKERS INC. - Form 6-K

FlawlessC.....	154,970	1991	Time Charter	Q3/2008 A	\$44,500	
StoplessC.....	154,970	1991	Spot			
PricelessC.....	154,970	1991	Time Charter	Q3/2008	\$35,000	
FaultlessD.....	154,970	1992	Spot			
NoiselessD.....	149,554	1992	Time Charter	Q2/2010	\$37,000 (1)	
StainlessD.....	149,599	1992	Spot			
EndlessD.....	135,915	1992	Time Charter	Q4/2008 E	\$36,500	
LimitlessD.....	136,055	1993	Spot			
Stormless.....	150,038	1993	Time Charter	Q4/2009	\$36,900	
Ellen P.....	146,286	1996	Spot			
Edgeless.....	147,048	1994	Spot			

### 11 Handymax Tankers

VictoriousB.....	47,084	1991	Time Charter	Q3/2009	\$14,000	
SovereignB.....	47,084	1992	Time Charter	Q3/2009	\$14,000	
InvincibleB.....	47,084	1992	Time Charter	Q3/2009	\$14,000	
RelentlessB.....	47,084	1992	Time Charter	Q3/2009	\$14,000	
VanguardC.....	47,084	1992	Time Charter	Q1/2010	\$15,250	
RestlessB.....	47,084	1991	Time Charter	Q4/2009	\$15,250	
SpotlessC.....	47,094	1991	Time Charter	Q1/2010	\$15,250	
DoubtlessC.....	47,076	1991	Time Charter	Q1/2010	\$15,250	
FaithfulC.....	45,720	1992	Time Charter	Q2/2010	\$14,500	100
Dauntless.....	46,168	1999	Time Charter	Q1/2010	\$16,250	100
Ioannis P.....	46,346	2003	Time Charter	Q4/2010	\$18,000	100

Total Tanker DWT 2,304,253

- A. Charterers have option to extend contract for an additional one-year period
  - B. Vessels sold and leased back in August and September 2005 for a period of 7 years
  - C. Vessels sold and leased back in March 2006 for a period of 5 years
  - D. Vessels sold and leased back in April 2006 for a period of 7 years
  - E. Charterers have option to extend contract for an additional four-year period
1. Base rate will change to \$36,000 in Q2 2007 and \$35,000 in Q2 2008 until expiration.

### Credit Facility

As of March 31, 2007, TOP Tankers had total indebtedness under senior secured credit facilities of \$225.7 million with its lenders, the Royal Bank of Scotland ("RBS") and HSH Nordbank ("HSH"), maturing in 2015 and 2013 respectively.

As of March 31, 2007, the Company has three interest rate swap agreements with RBS for the amounts of \$31.7 million, \$10 million and \$10 million for a period of four, seven and seven years, respectively. Under these agreements the interest rate is fixed at an effective annual rate of 4.66% (in addition to the applicable margin), 4.23% and 4.11%, respectively. The Company also has one interest rate swap agreement with HSH for the amount of \$40.2 million for a period of five years, at a fixed interest rate of 4.80% in addition to the applicable margin. In addition, the Company has two interest rate swap agreements with Deutsche Bank and Egnatia Bank for the amounts of \$50 million and \$10 million for a period of seven and seven years, respectively. Under these agreements the interest rate is fixed at an effective annual rate of 4.45% and 4.76%, respectively. The above swaps of \$10 million, \$10 million, \$50 million

## Edgar Filing: TOP TANKERS INC. - Form 6-K

and \$10 million, include steepening terms based on the 2 and 10 year swap difference, which is calculated quarterly in arrears. The interest rate for the remaining balance of the loans is LIBOR, plus the margin.

On March 31, 2007, the Company's ratio of indebtedness to total capital was approximately 53.0%.

### Conference Call and Webcast

TOP Tankers' management team will host a conference call to review the results and discuss other corporate news and its outlook on Thursday, May 17, 2007, at 11:00 AM EDT.

Participants should dial into the call 10-15 minutes before the scheduled time using the following numbers: 877 407 8035 (from the US and Canada) or +1 201 689 8035 (from outside the US and Canada). A live webcast of the conference call will also be accessible via the Internet at [www.toptankers.com](http://www.toptankers.com), or by going to [www.investorcalendar.com](http://www.investorcalendar.com).

The telephonic replay of the conference call will be available by dialing 877 660-6853 (from the US and Canada) or +1 201 612-7415 (from outside the US and Canada) and by entering account number 286 and conference ID number 242486. An online archive will also be available immediately following the call at the sites noted above. Both are available for one week, through May 24, 2007.

### About TOP Tankers Inc

TOP Tankers Inc is an international provider of worldwide seaborne crude oil and petroleum products transportation services. The Company operates a fleet of 23 tankers, consisting of 12 double-hull Suezmax tankers and 11 double-hull Handymax tankers, with a total carrying capacity of approximately 2.3 million dwt, of which 85% are sister ships. Sixteen of the Company's 23 tankers are on time charter contracts with an average term of over three years with all but four of the time charters including profit sharing agreements.

### Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TOP Tankers believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TOP Tankers cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charterhire rates and vessel values, failure of a seller to deliver one or more vessels, failure of a buyer to accept delivery of a vessel, inability to procure acquisition financing, changes in demand for oil and petroleum products, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect

## Edgar Filing: TOP TANKERS INC. - Form 6-K

attitudes of time charterers, scheduled and unscheduled drydocking, changes in our voyage and operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including requirements for double-hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TOP Tankers with the US Securities and Exchange Commission, which are available in the SEC's "EDGAR" database on its website, [www.sec.gov](http://www.sec.gov).

### TABLES FOLLOW

TOP TANKERS INC.

#### CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Expressed in thousands of U.S. Dollars - except for share and per share data)

	Three Months Ended March 31,	
	2006	2007
	(unaudited)	(unaudited)
<b>REVENUES:</b>		
Voyage revenues	\$ 101,746	\$ 73,988
<b>EXPENSES:</b>		
Voyage expenses	16,234	14,942
Charter hire expense	7,638	29,498
Amortization of deferred gain on sale and leaseback of vessels	(812)	(2,433)
Other vessel operating expenses	15,731	16,141
Depreciation and amortization	17,575	9,275
General and administrative expenses	7,348	5,198
Foreign currency (gains) / losses, net	62	(29)
	37,970	1,396
Operating income	37,970	1,396
<b>OTHER INCOME (EXPENSES):</b>		
Interest and finance costs	(8,066)	(1,262)
Interest income	261	825
Other, net	(4)	(12)
	(7,809)	(449)
Total other expenses, net	(7,809)	(449)
Net Income	\$ 30,161	\$ 947
Earnings per share, basic and diluted	\$ 1.05	\$ 0.03
Weighted average common shares outstanding, basic	28,099,212	32,331,129
Weighted average common shares outstanding, diluted	28,140,381	32,357,064

Edgar Filing: TOP TANKERS INC. - Form 6-K

TOP TANKERS INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(Expressed in thousands of U.S. Dollars - except for share and per share data)

	December 31, 2006 ----	March 31, 2007 ---- (Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$29,992	\$24,617
Other current assets	42,807	37,142
Vessel held for sale	-	50,013
	-----	-----
Total current assets	72,799	111,772
ADVANCES FOR VESSELS UNDER CONSTRUCTION	28,683	43,461
VESSELS, NET	306,418	251,166
OTHER NON-CURRENT ASSETS	64,835	69,516
RESTRICTED CASH	50,000	50,000
	-----	-----
Total assets	\$522,735 =====	\$525,915 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 16,588	\$ 32,440
Other current liabilities	24,021	23,520
	-----	-----
Total current liabilities	40,609	55,960
INTEREST RATE SWAPS	3,384	1,673
LONG-TERM DEBT, net of current portion	201,464	191,444
DEFERRED GAIN ON SALE AND LEASEBACK OF VESSELS	79,423	77,885
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY	197,855	198,953
	-----	-----
Total liabilities and stockholders' equity	\$522,735 =====	\$525,915 =====

TOP TANKERS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. Dollars)

Three Months Ended March 31,	
-----	-----
2006	2007
----	----



## Edgar Filing: TOP TANKERS INC. - Form 6-K

	(unaudited)	(unaudited)
Cash Flows from (used in) Operating Activities:		
Net income	30,161	947
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,229	9,483
Stock-based compensation	1,396	151
Change in fair value of interest rate swaps	(248)	(1,711)
Amortization of deferred gain on sale and leaseback of vessels	(812)	(2,433)
Loss on sale of other fixed assets	-	61
Payments for dry-docking	-	(6,791)
Change in operating assets and liabilities	(5,658)	5,165
	-----	-----
Net Cash from Operating Activities	44,068	4,872
	-----	-----
Cash Flows from (used in) Investing Activities:		
Advances for vessels under construction	-	(14,778)
Net proceeds from sale of vessels	251,502	-
Other	(165)	(1,219)
	-----	-----
Net Cash from (used in) Investing Activities	251,337	(15,997)
	-----	-----
Cash Flows from (used in) Financing Activities:		
Proceeds from long-term debt	-	10,000
Payments of long-term debt	(140,996)	(4,250)
Payment of financing costs	(63)	-
Dividends paid	(146,951)	-
	-----	-----
Net Cash from (used in) Financing Activities	(288,010)	5,750
	-----	-----
Net increase (decrease) in cash and cash equivalents	7,395	(5,375)
Cash and cash equivalents at beginning of period	17,462	29,992
	-----	-----
Cash and cash equivalents at end of period	24,857	24,617
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	6,644	1,443
	=====	=====

### APPENDIX A - SPECIFIC ITEMS AFFECTING NET INCOME AND RECONCILIATION OF ADJUSTED EBITDA

Set forth below are some of the significant items of income and expense that affected the Company's net income for the first quarter of 2006 and 2007, all of which items are typically excluded by securities analysts in their published estimates of the Company's financial results:

(Expressed in thousands of U.S. Dollars - except for share and per share data)

Description	Three Months Ended	
	March 31, 2006	March 31, 2007
-----	-----	-----
	(unaudited)	(unaudited)

Edgar Filing: TOP TANKERS INC. - Form 6-K

	\$	Per Share	\$	Per Share
	-	-----	-	-----
Reported net income	30,161	1.05	947	0.03
Restricted share plan to officers and personnel	1,396	0.05	151	0.00
Gain from termination of interest rate swap	(650)	(0.02)	-	-
Change of fair value of interest rate swaps	(574)	(0.02)	(1,711)	(0.05)
Specific legal and auditing fees	-	-	192	0.01
Bonus compensation provision to officers and personnel	2,500	0.09	-	-
Specific repairs	-	-	388	0.01
	-----	-----	-----	-----
Total	2,672	0.10	(980)	(0.03)
Net income / (loss) after specific items	32,833	1.15	(33)	(0.00)
	=====	=====	=====	=====

ADJUSTED EBITDA RECONCILIATION (3)  
(Expressed in Thousands of U.S Dollars)

	Three Months Ended March 31,	
	2006	2007
	----	----
NET INCOME	30,161	947
DEPRECIATION AND AMORTIZATION*	17,641	9,403
INTEREST AND FINANCE COSTS, NET	7,805	437
	-----	-----
EBITDA	55,607	10,787
	=====	=====

\* The first quarter of 2006 and 2007 includes \$66 and \$128, respectively, of depreciation of other fixed assets, classified in general and administrative expenses

- 
- (1) See Appendix A to this release for information about special items and reconciliation of Adjusted EBITDA.
  - (2) Consistent with general practice in the tanker shipping industry, time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing net voyage revenue by voyage days for the relevant time period. Net voyage revenues are voyage revenues minus voyage expenses. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions.
  - (3) Adjusted EBITDA represents earnings before interest and finance costs, interest income, taxes, depreciation and amortization. Interest and finance costs, net includes interest expense, interest income, amortization of deferred financing fees, other financial costs, gain or loss from

## Edgar Filing: TOP TANKERS INC. - Form 6-K

termination of swaps and swap fair value changes. Adjusted EBITDA is included in this report because we believe it provides investors with an understanding of operating performance over comparative periods. Adjusted EBITDA should not be considered as a substitute for operating income or net income (all as determined in accordance with generally accepted accounting principles) for the purpose of analyzing our operating performance, as Adjusted EBITDA is not defined by generally accepted accounting principles. We presented Adjusted EBITDA, however, because it is commonly used by certain investors and analysts to analyze and compare companies on the basis of operating performance and to determine a company's ability to service and/or incur debt.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOP TANKERS INC.

Dated: May 21, 2007

By /s/ Stamatis N. Tsantanis

-----  
Name: Stamatis N. Tsantanis  
Title: Chief Financial Officer

SK 23116 0001 775475